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Supreme Court of the United States,

OCTOBER TERM, 1922.

No. 190.

A. BOURJOIS & Co., INC.,	}
Petitioner,	
VS.	
ANNA KATZEL.	

BRIEF ON BEHALF OF PETITIONER.

This cause comes before this court on a writ of certiorari to the United States Circuit of Appeals for the Second Circuit (p. 59).

The suit is a trade mark suit under the Act of February 20, 1905, as amended, known as the Trade Mark Law and, being between citizens of the same State, is strictly limited to issues dependent upon a proper construction of the Statute.

A motion for preliminary injunction was made and granted by Judge Mayer (p. 38), on a careful opinion (pp. 33-37), 274 F. R. 856. On appeal Judges Ward and Manton, in a majority opinion (pp. 46-50), directed a reversal of Judge Mayer's order, Judge Hough writing a forcible dissenting opinion (p. 50), 275 F. R. 539. A motion to certify to the Supreme Court (pp. 51-55) was denied (p.

56). A petition for a writ of certiorari was thereupon filed in the Supreme Court and said writ (p. 59) brings the case before this court.

There is practically no issue of fact between the parties and the single question of law which is involved is whether a registered United States trade mark, concededly owned by an American concern, is or is not infringed by goods bearing said trade mark, emanating, not from its United States owner, but from a foreign concern, which had the right to use the mark in its own country, but not in the United States, wherein years ago the foreigner had parted in favor of the American concern with all of its rights. In other words, is the American owner, who for a valuable consideration purchased the trade mark from a foreigner (in accordance with Section 10 of the Trade Mark Act) entitled to protection against the sale in the United States by a third party of goods bearing said trade mark and purchased in Europe from European customers of the said foreigner?

More specifically: in 1913 plaintiff bought the United States trade marks JAVA, BOURJOIS, etc., for face powder from Wertheimer et Cie., etc., of Paris, and since that purchase the plaintiff has built up an enormous business in the United States and a widespread demand for plaintiff's JAVA powder. In 1920 defendant bought Wertheimer et Cie.'s face powder, marked JAVA, in Paris and brought it into the United States, greatly disturbing plaintiff's business. The question is whether plaintiff's rights under its registered trade marks entitle plaintiff to an injunction.

The Fundamental Facts.

The plaintiff A. Bourjois & Co., Inc., is a New York corporation having its place of business at No. 35 West 34th Street, New York City (p. 2).

"The plaintiff, a New York corporation, is the exclusive owner of certain registered trade marks for face powder, these trade marks consisting of the word 'Java' and the various labels, which are carried by plaintiff's boxes and serve to identify them as plaintiff's products" (Judge Mayer's Opinion, p. 33).

The trade marks in issue are reproduced between pages 4 and 5 of the Record and are as follows:

- No. 99,940 registered September 29, 1914,
"Java" (Exhibit B to the Complaint),
- " 110,632 June 6, 1916, "Side Label" (Exhibit C to the Complaint),
- " 111,177 July 4, 1916, "Bottom Label" (Exhibit D to the Complaint),
- " 120,330 February 5, 1918, "Bourjois" (Exhibit E to the Complaint),
- " 122,674 September 10, 1918, "Revised Modern Bottom Label" (Exhibit F to the Complaint),
- " 125,930 July 15, 1919, "Top Label and Stamp" (Exhibit G to the Complaint).

All of these registrations were secured by the petitioner itself and in the petitioner's own name.

"Defendant's boxes, as will appear, *infra*, are, with two differences, exact duplicates of plaintiff's boxes" (Judge Mayer's Opinion, p. 33).

"The two differences referred to, *supra*, were as

follows: (1) At the beginning of its business, plaintiff New York corporation put the product out under the name of 'Poudre de Riz de Java'. As rice is regarded as a deleterious ingredient for face powder, plaintiff dropped the words 'de riz' and adopted the words 'Poudre Java'. Under this latter name, plaintiff has marketed its goods for about four years last past. An inspection of plaintiff's and defendant's boxes would at once show that this difference is slight and that the ordinary purchaser would not stop to distinguish between the boxes, and, if defendant's box were a counterfeit or imitation, a Court of Equity would at once issue its injunction. In addition, if the plaintiff is right as to the undesirable nature of a rice ingredient, a label containing the words 'de riz' might unfavorably affect the sale of plaintiff's product, if the purchaser associated the package with plaintiff.

"(2) The second difference is that on the back of plaintiff's box or package are the following words: 'Trade Marks Reg. U. S. Pat. Off. Made in France—packed in the U. S. A. by A. Bourjois & Co., Inc., of New York, Succ'rs in the U. S. to A. Bourjois & Cie and E. Wertheimer & Cie.' These words are so situated and so printed as fairly to come to the attention of the purchaser and one of affiants, who has sworn that this package is regarded by the public as plaintiff's product, is the buyer in the perfumery department of the large establishment known as B. Altman & Co." (Judge Mayer's Opinion, pp. 34-35).

"In 1912, the firm of E. Wertheimer & Cie, of France, successors of A. Bourjois & Cie, also of France, had established in the United States the

business in Java face powder in boxes and under labels substantially the same as those in controversy. The trade mark 'Java' was considered and favorably recognized in *Wertheimer et al. v. Batcheller Importing Co.*, 185 F. R. 850. The plaintiff corporation was organized in 1913, and for a consideration, involving *inter alia* the obligation to pay \$400,000. bought the entire business then and theretofore carried on by A. Bourjois & Cie, E. Wertheimer & Cie, Successeurs, in the United States, viz.: The entire good will of said business in the United States and any and all trade marks, trade names and trade mark rights relating thereto in the United States and also the sole and exclusive right to manufacture and sell in the United States any and all toilet preparations then or theretofore made by the French concern. This transfer of trade marks included the transfer of the registered trade mark 'Java', the top and other labels of the boxes; and all of the trade marks which the plaintiff has subsequently used were re-registered. Thus, all of these trade marks and labels are, so far as the United States is concerned, exclusively the property of the plaintiff. It appears from the papers that during the time plaintiff has been in this business, it has expended substantial sums of money for advertising and in brief, by reason of its business methods, it has succeeded in creating a wide market in the United States for its products and the boxes of face powder here under consideration are associated in the public mind with the plaintiff corporation. In other words, it appears that plaintiff has built up not only an extensive and important business, but also an excellent business reputation for the character of its goods and that the plaintiff

depends in greatest measure upon its trade marks to prevent invasion of its rights.

"Plaintiff, apparently, from its inception, has bought and is continuing to buy the powder in bulk from the French firm, A. Bourjois & Cie, and then puts up this powder in the boxes containing the trade mark inscriptions. Plaintiff, however, may buy its powder from any house and will obviously do a favorable business in connection with its trade marks, as long as it satisfies the public; because one of the assets plaintiff has developed is the assurance to the public of the responsible character of any merchandise which appears upon the market under plaintiff's trade marks or in the 'get-up' of plaintiff's packages. Two outstanding features of plaintiff's package are the words 'Poudre Java' and 'A. Bourjois & Cie.' " (Judge Mayer's Opinion, pp. 33-34).

Since the plaintiff became the owner of the trade mark "Java" and of the other appurtenant trade marks, it has experienced much difficulty in suppressing counterfeits, some of which were so perfect that it was "next to impossible to identify them as counterfeits" (p. 27). Specimens of such counterfeits are shown in Exhibits I, J, K and L. Defendant's boxes coming upon the market as they do, without authorization of the plaintiff, might, for all that the plaintiff can tell, have been counterfeits cleverly prepared abroad. The defendant, although at first refusing to disclose to the plaintiff the source of her "Java" powder (pp. 18-20), enclosed the invoices for her French purchases in a sealed envelope, which was handed to Judge Mayer, who opened it and read the contents, which is printed on

pages 13-18 of the record. These invoices were accepted by Judge Mayer as evidence that the defendant's packages emanated from E. Wertheimer & Cie, Successeurs of A. Bourjois & Cie, of Paris, France, and, so far as France was concerned, were in that country not counterfeits but genuine.

These invoices, however, indicate clearly that defendant's activities are forceably directed against this specific plaintiff. There is no other single proprietary article mentioned in these invoices which at all approaches in volume the purchase of "Java". Of the total amount of these invoices,—about 52,000 Francs,—15,000 Francs represent "Java", approximately thirty per cent. of the total, thus indicating that "Java" is the leading item upon which the defendant's importing activities are concentrated.

The foregoing are the facts concerning which there is no dispute upon the Record, and as these facts are the fundamental facts which justify the protection of the plaintiff's business and trade marks as against an invasion of plaintiff's field by merchandise similarly packed and labeled but not emanating from the plaintiff, the remedy of preliminary injunction was proper.

The Plaintiff is Clearly Entitled to Protection.

After the plaintiff's purchase, in 1913, of the trade marks and the good will pertinent thereto with respect to the entire territory of the United States, the French House of "Wertheimer & Cie., successeurs of A. Bourjois & Cie." (who had sold these trade marks to the plaintiff for a very substantial consideration), retained no trace or vestige of any interest or good will within the territory of the United States. It was the plaintiff and the

plaintiff alone upon whom fell the entire burden of the heavy expense of advertising, maintaining a sales force, controlling the product, etc., etc. The French seller of the United States trade marks, relieved of these burdens, might possibly have found itself able to sell in France, wherein the trade marks had not been sold, at a somewhat less price than the plaintiff could afford to place its goods upon the American market and, of course, the temporarily disordered exchange rate may also momentarily lessen the cost of face powder bought in Paris from the standpoint of an American merchant. This, however, is no excuse for allowing the defendant to use plaintiff's trade marks. The defendant may buy all the face powder she desires in Paris and freely bring it to the United States and sell it here at any price the defendant desires, but she must do so under defendant's own trade marks and not under the trade marks of the plaintiff.

All of the trade marks and labels involved in this case are, so far as the United States are concerned, solely and exclusively the property of the plaintiff and no other person or concern in the whole world has any rights to the use of said trade marks in this country.

The plaintiff's goods, due to the expenditure of a great deal of money for advertising during the last eight years—(the Court will take judicial notice that these particular years are probably the equivalent of a half century of ordinary untroubled years)—are widely and universally recognized throughout the whole of the United States as the output of this plaintiff and this recognition extends to the remotest quarters and sections of the country (see "Plaintiff's Exhibit M", pp. 28-30). Wherever and whenever a box of face powder appears upon the market in the United States like or similar to

the plaintiff's standard package, it is, in the language of plaintiff's affiant O'Connell,

"the indication and proof that the contents emanates from the New York Company and represents the selection, special treatments, packing and get-up of the New York Company" (p. 32).

Mr. O'Connell, who is a buyer for B. Altman & Co., one of the largest New York stores, and a practical, impartial expert in this trade, testifies that defendant's box would, to him, indicate and imply that A. Bourjois & Co., Inc. (the plaintiff), was responsible for its distribution and was concerned in its selection, packing, labeling, etc." (p. 33), and that "if he had any boxes of that kind in stock and there were any defect therein or if any complaints were received with respect to any such boxes, he would consider that A. Bourjois & Co., Inc., the New York corporation, would be responsible and would have to make good" (p. 33). Mr. O'Connell's view represents that of every dealer in the United States and of the public at large. Exhibit N (p. 31) is an example of how dealers look to the plaintiff to redress defects of Java packages, and Exhibit M (pp. 28-30), letters from many quarters of this country, shows how the public look to the plaintiff with respect to Java face powder.

It will be observed that the plaintiff has the sole and exclusive right, in connection with these trade marks here involved, to manufacture and to sell in the United States any powder which may best suit its purposes. The powder itself may be bought by the plaintiff from any source in any part of the world or it may be manufactured by the plaintiff directly in the United States. Thus far the plain-

tiff had found that the powder, *i. e.*, the contents of its boxes, which best suits the plaintiff's purposes, can be most advantageously procured by purchase in bulk from the French House of E. Wertheimer & Cie, but that source of the plaintiff's powder will continue only so long as the supply is of the proper grade and excellence satisfactory to the plaintiff. Should the powder of the French concern at any time become unsatisfactory for plaintiff's uses or other powder of equal grade or quality become available at better terms, the plaintiff may at will discontinue further purchases from this particular French House and procure its supply elsewhere or make it itself. The plaintiff is the entire Master of the situation in the United States and it is the plaintiff that is looked to by the public of the United States as the responsible guarantor of any merchandise which appears upon the market under plaintiff's trade marks or in the dress of plaintiff's packages.

It is obviously of importance that the plaintiff should remain entire Master of the situation with respect to any product that appears upon the American market under the name "Java". For example, in the affidavit of Douglas (p. 24) it is pointed out that the powder as manufactured in France is frequently unadapted to the requirements of the American consumers and that the powder requires special handling, sifting or recoloring in order to meet the requirements of the American public. It is not until the powder has passed the plaintiff's inspection and selection as to color adjustment, etc., and is or has been made to correspond with plaintiff's standard fineness of texture that the powder is packed in plaintiff's boxes, which are made in America, and provided with plaintiff's

labels, which are all printed in America, and only then the package becomes for the first time, after all this is done, the "Java" face powder which is known in America and which in this country enjoys a wide and favorable reputation. During the eight years that the plaintiff has alone supplied the American market, it has educated that market along certain lines, and due to this there is a considerable difference in the standard requirements of American consumers with respect to texture, color, etc., as contrasted with the present day requirements of consumers of similar powders in France. The French powder of to-day is frequently, though satisfactory to Parisian consumers, unsatisfactory to American consumers. The French, for example, prefer a darker shade of red in rose colored powders than do Americans and all of such developments and changes in respect to standards in the two countries is due to the fact that the public in America look to the plaintiff to control the quality of "Java" powder, whereas the public in other countries look to other makers.

Another illustration of the difference in the point of view of the two countries has to do with the expression "Poudre de Riz". This expression, which is the French equivalent for face powder, nevertheless when literally translated means rice powder. Due to the Pure Drug Acts of many States and general public interest in that type of legislation, the people of the United States have generally accepted it as a fact that the presence of rice in face powder is deleterious. See, for example, the advertisement of a competitor (Exhibit O, pp. 31-32). For many years, therefore, a condition has existed such that if a box of face powder contained rice and was not marked to state this fact, it was considered mis-

branding in some localities, whereas if it did not contain rice but was marked "Poudre de Riz", it was not only misbranded but likely to be held up by competitors to condemnation and scorn. The result of these conditions was that the plaintiff, although its packages originally in 1913 were brought upon the market as "Poudre de Riz", have for a long time been marked only with the label "Poudre Java", such as is shown in Exhibit G (facing p. 5). It will be apparent that this type of labeling is of great importance and that if "Java" is now allowed to be disseminated in the trade, under modern conditions, under the designation "Poudre de Riz de Java", competitors will be enabled to depreciate the excellence of plaintiff's product in the public mind by pointing to the apparent confession of the plaintiff that its powder did contain rice. The French manufacturers are not confronted with any such difficulties and, of course, their boxes are marked "Poudre de Riz", but if those boxes, in all other respects like plaintiff's, appear upon the American market and their distribution cannot be enjoined, the plaintiff's vast investment will be depreciated and, if the practice of selling imported "Java" in this contry continues long enough, will be entirely destroyed.

It is obvious that so long as the public of the United States look to the plaintiff as the guarantor of "Java" merchandise, and so long as the plaintiff is by purchase the exclusive owner of the trade mark "Java", the plaintiff is entitled to and deserves the full protection of equity to safeguard its property and its business.

As Judge Mayer said:

"In approaching the subject, it must be remembered that 'the right of property in trade

marks has come to be recognized as of immense and incalculable value' and that the 'proprietor of a trade mark by virtue of the manufacture or offering for sale of his goods is entitled to the protection which the highest powers of the Court can afford', *Scandinavia Belting Co. v. Asbestos & Rubber Works*, 257 F. R. 937."

(Judge Mayer's Opinion, p. 35.)

The plaintiff having, as explained, acquired its rights by purchase in 1913 at a very high figure and having then fortified and established those rights and having identified them with the plaintiff in the public mind by the expenditure of vast sums for advertising, etc., and the payment of enormous taxes, all representing the investment of American dollars in an American business, has undoubtedly become and now is entitled to protection against any invasion of the trade which it has built up and established, no matter what form that invasion may take or how plausible or specious the tendered justification for any such invasion may be.

The Defendant's Position in the Trade.

The defendant is a registered pharmacist and owns and conducts a drug store at 706 Fairmont Place in the Bronx (pp. 10-11). Her importation and dealing in imported French products on a large scale is not natural to her conduct of her drug store. The importing business is carried on by her husband "as her purchasing agent" (p. 19). Her husband, traveling abroad, takes advantage of the low rate of exchange and buys products such as are shown in the invoices (pp. 13-18). This is not a business but a speculation. Defendant runs a drug store and not an importing business and there is no suggestion in any of defendant's affidavits that she is in

any regular way known as an importer or in any established business of importing French goods. To the defendant, her entire interest in importing "Java" is to make a few dollars because of the possibilities offered by the low exchange rate. To the plaintiff, the defendant's activities threaten plaintiff's entire life and the investment of a fortune.

The Alleged "Genuineness" of Defendant's Product.

Judge Mayer has dealt so concisely, ably and fairly with this question that we can do no better than to repeat his words:

"Defendant's trade mark is genuine in the sense that it was not spurious at the place of origin and that no change has been made since it was sold; but, it is genuine as matter of law only if defendant has the right to sell within the territory where plaintiff is the exclusive owner of the trade mark and under the doctrine of the *Hanover Star Milling Company* case, *supra*, where, also, plaintiff has established the business in the product in connection with the trade mark.

The case at bar is obviously stronger than that considered in the *Hanover Star Milling Company* case. In the case at bar, plaintiff has expended a large sum for the acquisition of the trade mark title and rights, and a large sum for the advertisement of its business. Plaintiff had corralled the American market before defendant's boxes were brought into the American market. If, now, the original French boxes or packages can lawfully be permitted to compete with plaintiff's boxes or packages, it can be readily seen that plaintiff's business may be destroyed, and, in any event, impaired. The question, on its face, is one involving business interests in a large way. If an Ameri-

can business concern buys all of the rights, as in the case at bar, of a business established here by a foreign concern and then the foreign concern is nevertheless at liberty to compete with the American concern, the result will be that the purchase of rights, under such circumstances, will give little or no protection; and the foreign concern as well as the domestic concern will be seriously injured in the long run, because American capital certainly will not be invested and foreign concerns will find it difficult to sell the rights which they have developed in this country.

It should be said in justice to A. Bourjois & Cie of France that there is nothing in the record which justifies the conclusion that this competition has been undertaken with their knowledge or consent, and it should be said in justice to defendant that thus far defendant has relied upon what she regards as her legal rights. The question is one of law which calls for definite and prompt settlement" (pp. 35-36).

The Trade Mark Statute.

The trade mark laws of the United States consist of the Act of February 20, 1905, as amended and its pertinent passages are for the convenience of the court here reproduced.

Section 1. That the owner of a trade mark used in commerce with foreign nations or among the several States * * * may obtain registration for such trade mark by complying with the following requirements: First, by filing in the Patent Office an application therefor * * *. Second, by paying into the Treasury of the United States the sum of ten dollars * * *.

Section 6. That on the filing of an application for registration of a trade mark which complies with the requirements of this act,

and the payment of the fees herein provided for, the Commissioner of Patents shall cause an examination thereof to be made; and if on such examination it shall appear that the applicant is entitled to have his trade mark registered under the provisions of this act, the Commissioner shall cause the mark to be published at least once in the Official Gazette of the Patent Office. Any person who believes he would be damaged by the registration of a mark may oppose the same by filing notice of opposition, stating the grounds therefor, in the Patent Office within thirty days after the publication of the mark sought to be registered * * *.

Section 10. That every registered trade mark and every mark for the registration of which application has been made, together with the application for registration of the same, shall be assignable in connection with the good will of the business in which the mark is used. Such assignment must be by an instrument in writing and duly acknowledged according to the laws of the country or State in which the same is executed; any such assignment shall be void as against any subsequent purchaser for a valuable consideration, without notice, unless it is recorded in the Patent Office within three months from date thereof. The commissioner shall keep a record of such assignments.

Section 11. * * * Certificates of Registration of trade marks may be issued to the assignee of the applicant, but the assignment must first be entered of record in the Patent Office * * *.

Section 12. * * * Certificates of Registration may be from time to time, renewed for like periods (20 years) on payment of the renewal fees required by this act, upon request by the registrant, his legal representatives, or transferees of record in the Patent Office * * *.

Section 13. That whenever any person shall deem himself injured by the registration of a trade mark in the Patent Office, he may at any time apply to the Commissioner of Patents to cancel the registration thereof * * * (note: no fee is required in cancellation proceedings.)

Sec. 17. That the circuit (now district) and territorial courts of the United States and the supreme court of the District of Columbia shall have original jurisdiction, and the circuit courts of appeal of the United States and the court of appeals of the District of Columbia shall have appellate jurisdiction of *all suits at law or in equity respecting trade marks registered* in accordance with the provisions of this act, arising under the present act, without regard to the amount in controversy.

Sec. 19. That the several courts vested with jurisdiction of cases arising under the present act shall have *power to grant injunctions*, according to the course and principles of equity, *to prevent the violation of any right of the owner of a trade mark registered under this act*, on such terms as the court may deem reasonable; and upon a decree being rendered in any such case for wrongful use of a trade mark the complainant shall be entitled to recover, in addition to the profits to be accounted for by the defendant, the damages the complainant has sustained thereby, and the court shall assess the same or cause the same to be assessed under its direction. The court shall have the same power to increase such damages in its discretion, as is given by section sixteen of this act for increasing damages found by verdict in actions of law; and in assessing profits the plaintiff shall be required to prove defendant's sales only; defendant must prove all elements of cost which are claimed.

Section 27. That no article of imported merchandise which shall copy or simulate the

name of any domestic manufacture, or manufacturer or trader, or of any manufacturer or trader located in any foreign country which, by treaty, convention, or law affords similar privileges to citizens of the United States, or which shall copy or simulate a trade mark registered in accordance with the provisions of this act or shall bear a name or mark calculated to induce the public to believe that the article is manufactured in the United States, or that it is manufactured in any foreign country or locality other than the country or locality in which it is in fact manufactured, shall be admitted to entry at any custom house of the United States; * * *

Section 29. That in construing this act the following rules must be observed, except where the contrary intent is plainly apparent from the context thereof: * * * The term "applicant" and "registrant" embrace the successors and assigns of such applicant or registrant.

Trade Marks are Property, to be Protected like other Property, and Primarily for the Benefit of the Owner.

That trade marks are property was settled in the *Trade Mark Cases*, 100 U. S. 82, 92, 93.

"Property in trade marks, exclusive and absolute, has existed and been recognized as a legal possession, which may be bought and sold and transmitted, from the earliest days of our recorded jurisprudence" (Upton on Trade Marks, p. 10).

"The right of property in trade marks has come to be recognized as of immense and incalculable value" (*Scandinavia Case*, 257 Fed. Rep. 937, 941).

That trade mark property is not only entitled to the full protection of the courts but to the protection which the highest powers of the court can afford, is set forth in so many words in *Scandinavian Belting Co. v. Asbestos & Rubber Works*, 257 F. R. 937 (C. C. A., Second Circuit), quoted with approval by Judge Mayer (record, p. 35) :

"Trade-marks, good will, or rights to use the names of individuals, become, when sold, the property of the person to whom transferred, and do not thereafterwards rest on mere contract; and, without any specification in the instrument of transfer, and merely as inherent to the essential rights of property, they must, with all their incidents, be protected by the courts in the hands of the transferee against all assaults and artifices."

Le Page Co. vs. Russia Cement Co., 51 F. R. 941, 943.

Judge Mayer's views of the protection to which the present plaintiff is entitled are set forth on pages 33-37 of the record.

Judge Augustus Hand, in the case of *Bourjois v. Aldridge* (question certified to this court, case No. 408), in an unreported opinion, said :

"Under such circumstances I think protection should be afforded * * *. I have said enough to indicate that I am in agreement with the views of Judge Hough who dissented in the case of *A. Bourjois & Co. v. Katzel* (275 Fed. 539), and Judge Mayer, who wrote in the court below, 274 Fed. 856. That case is now before the Supreme Court upon a writ of certiorari. It seems to me unfortunate if a foreign manufacturer who has sold his American business and trade marks can in effect still compete with his vendee through sales to American im-

porters (or persons buying to sell to these importers) who use the same trade marks here."

Judge Hough, in his Opinion, Record, page 51, said:

"It is not yet settled whether a trade mark is to be primarily regarded as protecting the trade mark owner's business from a species of unfair competition, or protecting the public from imitations. The decision in this case seems to me to lean the wrong way, because in my opinion a trade mark is primarily a protection to the owner's business. It is attached to the business, is a part of it, and cannot be detached therefrom; there being no such thing as the transfer of a trade mark in gross. If this be true it makes no difference whether the plaintiff's business grew out of an agency for another, provided only that it be shown that it is an honest business and belongs to the person who attached, and (perhaps) duly registered the trade mark, which describes the product of that business.

This plaintiff made a business in Java powder. It is an honest business, and whatever rights the French Manufacturer had in the United States became the rights of the plaintiff. If, therefore, the primary function of the trade mark is to protect this plaintiff's business in his own country, it makes no difference at all that the genuine French article is the thing offered by defendant. That genuine article has become an infringement because the business of dealing in that article within the United States is the plaintiff's business."

The United States Circuit Court of Appeals for the Second Circuit, in a recent unreported opinion in the case of *Coty vs. Prestonettes*, sustained Coty's complaint and ordered a sweeping injunction against the use of the trade mark COTY on small

vials filled by the defendant with some of Coty's famous perfumes and offered to the public under a label bearing the trade mark CORY, the court saying:

"The courts have not authoritatively and finally determined whether a trade-mark is to be primarily regarded as protecting the trade-mark owner's business or as protecting the public against imposition by its unauthorized and improper use. But we venture to think that while the purpose the Trade Mark Acts is twofold the primary purpose is the protection of the trade-mark owner's business. If the sole purpose of the act be the protection of the public that certainly cannot constitute a sound reason for affording a private remedy. Fraud upon the public cannot be the ground of private action or suit. *Leather Cloth Co. v. American Leather Cloth Co.*, 4 DeG. J. & S. 137, 141, aff. in 11 H. L. Cas. 523; *Webster v. Webster*, 3 Swans, 490, note; *Schneider v. Williams*, 44 N. J. Eq., 391. But whatever difference of opinion may have existed on this subject we think the Trade Mark Acts operate and are intended to operate for the protection of the business of the owner of the trade mark and also for the protection of the public against imposition and fraud. And in order that this intent of the Acts may be given its fullest effect, we think the plaintiff herein is entitled to the injunction which he seeks."

The foregoing Opinion was written by Judge Rogers with whom sat Judges Manton and Mayer, both of whom concurred.

It seems to be conclusively established that trade marks are property regarded by the courts as of exceptional value and as entitled to the amplest protection against any type of variety of infringement no matter how ingenious or specious, and that this

protection will be afforded to the owner of the trade mark whether the trade mark is his by original adoption or by assignment. It seems furthermore to be the accepted view that the protection accorded in trade mark cases is not primarily the protection of the public but very largely, if not primarily, the protection of the trade mark owner and of his business in which the trade mark is used.

The Crux of the Present Case.

Whenever a purchaser buys a box of defendant's powder that purchaser believes, by reason of the trade marks on the package, that the plaintiff's reputation and guarantee stands behind the product (see Record, p. 32). This, in the United States markets, is the result of the presence of plaintiff's trade marks on the non-plaintiff's goods and is equivalent to a false representation to the public as well as a direct interference with plaintiff's lawful market and consequently, upon all theories of trade mark protection, constitutes enjoinable subject matter. The plaintiff's reputation is drawn in with respect to goods with which the plaintiff is in no wise associated and this creates a situation requiring redress. The situation is different in a case in which for special reasons or under special circumstances the public is not concerned with a plaintiff's association with a trade mark. Thus a customer desiring to purchase French Vichy or Hunyadi Janos expects to receive the product of certain springs, no matter through what agent these waters may be distributed. A purchaser of Eternelle violin strings expects to receive Müller's famous German product and he is not interested in the identity of Müller's New York exclusive selling

agent. The purchaser of LePage's glue wants to be sure that LePage or LePage's assignees made it. In none of the cases referred to was the plaintiff's reputation in any way involved or placed in jeopardy. When, however, that reputation begins to be drawn upon to move competitive goods then intervention by the courts is imperative.

Argument (continued).

It is well known that the Trade Mark Law of the United States is founded upon the common law view of trade marks, whereas trade marks in the so-called code countries, *i. e.*, Continental Europe and Latin American countries, rests solely upon the foundation of arbitrary statutes. In the code countries no matter who, under our view, would be considered the common law owner of a trade mark, the first registrant gets it and will be protected as the true owner thereof even as against an earlier or more widely known user. The practice of registering well known American trade marks in Cuba and then closing the Cuban market to merchandise legitimately bearing the American trade mark, has become so frequent as to amount almost to an international scandal, but it serves well as an illustration of the difference between common law countries and code countries. It is a matter of general experience that Americans and American concerns are to a large extent powerless to protect their trade mark rights adequately in any of the code countries, and this plaintiff obviously has no means of enforcing the rights which it enjoys in the United States, in any other country. But the fact that we are remediless in foreign jurisdictions in no wise detracts from full protection in our own country. Within the United States, where the plaintiff's

trade has been built up and where, according to established law, the plaintiff's trade will be protected, the plaintiff has, or ought to have, the full measure of protection against an invasion of its property rights and of its established trade against merchandise similarly appareled but imported into this sovereignty from foreign shores. This proposition in general is not capable of debate.

The defendant, however, claims that because the powder which it purchases in France emanates from the same manufacturer from whom the plaintiff buys its powder in bulk, and despite the fact that defendant's powder is bought by the defendant in France in boxes which, when introduced to the United States market, would mislead it into the belief that the merchandise emanates from the plaintiff, the defendant has acquired the right to sell such infringing boxes in the United States.

This supposition of the defendant is founded upon a fallacy. The defendant undoubtedly has the right to purchase in France as much face powder as she desires from the same source from which the plaintiff buys, and the defendant also has the right in the resale of that powder, either in bulk or in smaller packages, to state truthfully what that powder is and to say that it was manufactured by whosoever may have made it.

But that is the limit of the defendant's right.

Defendant cannot lawfully have the powder packed in boxes which counterfeit plaintiff's; she may not do so in this country and of course she may not circumvent that condition by buying in a foreign country and importing into this country. Defendant may not lawfully buy abroad for the purpose of invading the United States (where the mark "Java" is recognized as designating plaintiff's trade), powder packed in boxes which, when im-

ported into the United States, will deceive the trade in this country. The fact that boxes which would be considered counterfeits in the United States may be lawfully sold in a foreign country, does not confer upon the defendant any right to import them into this and thereby to injure an established business. In countries like Turkey, which have no trade mark law, it might be entirely lawful to duplicate the plaintiff's package, but that fact would not open the United States market to such products. In France, to which the plaintiff's trade does not extend and where the plaintiff, consequently, has neither common law trade mark rights nor rights under the French code, plaintiff's package may very well form the subject of exclusive ownership on the part of the first registrant, but that fact does not make them the plaintiff's product nor make them the thing which in the United States is recognized as "Java" face powder since in the United States "Java" face powder means the output of the plaintiff corporation and not the product of any other concern.

But for the labor and energy expended by the plaintiff in securing public recognition in the wide spread market for boxes marked "Java" and having the appearance of plaintiff's boxes, it would never have occurred to the defendant to import from France, thereby showing that the effect of such importation is to take advantage of a trade which logically and naturally is the plaintiff's. If defendant's product comes upon the market here and contains deleterious ingredients, or is in any way the subject of criticism, who suffers? Certainly no one in France, as no French concern has any established business in this country capable of being injured, but with absolute certainty the plaintiff would be injured since every one in the United States looks to

the plaintiff as the source and origin of the goods. In this way the plaintiff's vast investment can be rendered nugatory through no fault of its own and solely by reason of circumstances over which the plaintiff has no control in case the defendant's activities and others of a like nature are not checked.

The defendant, however, by repeating the claim that its products are "genuine", tends to create a false impression. Whatever may be "genuine" in France or elsewhere, there is only one "genuine" "Java" face powder in the United States and that is the plaintiff's. A Canadian or Mexican dollar is a lawful dollar in its own country but it is not a dollar in the United States and any one who would attempt to pass Canadian or Mexican dollars in the United States as being the thing recognized in this country as a dollar, would clearly be guilty of fraud. There are, of course, cases where the question of "genuineness" is involved but this is not one. Where, for example, a trade designation is recognized throughout the United States as representing the product of a particular spring located in a foreign country or as the product originally packed by some recognized foreign house represented in this country by an agent, even though he be an exclusive agent, the "genuine" product in each case in the mind of the public will be the product which emanates from the concern which in the United States is known and recognized as the true source and origin of the goods.

Thus Vichy from the French springs or Hunyadi from the Hungarian springs can always, when imported into the United States, be sold as Vichy or Hunyadi because it is in truth and in fact that which the public here recognize as the thing they desire to buy.

So again the sale in the United States of violin strings, sold here under the name "Eternelle" and known throughout the United States as being the product and output of Müller of Germany, would in no sense undermine Müller's market in the United States whether imported through his exclusive agent in New York or through any other concern; on the contrary, so far as Müller's trade with the United States is concerned, which is the trade which the United States recognizes, Müller's business would only be fostered.

Where, however, as in the present case, the people of the United States recognize a product as the output of an American concern and where that American business has been built up with American money and is known as representing American enterprise, so that all goods marked with the trade mark of said American concern ("Java" in this case) are known as the output and product of the American concern, there is no such thing as any question of "genuineness".

The determining factor of the legality or illegality of a distribution of goods in the United States to the American trade is in every case the same and is "Whose trade does the American public recognize as represented by this package when distributed in American markets?" If the American public recognize a package which comes upon the markets here as the output of an American company, then it is unlawful for packages having other origin but similarly dressed to enter that market. And that is the case here in view of the unquestioned testimony of O'Connell that the defendant's packages, when distributed upon the American market, would be taken as indication and proof, from the appearance thereof, that they emanated

from the New York company and that the New York company was responsible for the packing and contents and would have to make good any defects therein.

The two most illuminative authorities happen to be the two most carefully and best considered of recent decisions, *Scandinavia Belting Co. v. Asbestos Works*, 257 Fed. Rep. 937, C. C. A., Second Circuit, and *Hanover Milling Co. v. Metcalf*, 240 U. S. 403. In the Supreme Court case ("Tea Rose" Flour), an Ohio corporation which *for over forty years* had built up a business in certain Northern States in flour under the trade mark "Tea Rose" was enjoined from importing and introducing flour under that trade mark into Alabama, Mississippi, Georgia and Florida, in which latter states an Illinois company had built up *during eight years* preceding the bringing of the suit a substantial business in "Tea Rose" Flour, so that within those special States "Tea Rose" Flour indicated to the public the product of the Illinois company and not the product of the older adopter, the Ohio company. The theory upon which this decision was based is that it is the trade and not the mark that is protected, and if the trade in a particular section of the country or in the country as a whole is the trade of some particular concern, that concern will be protected in its trade even as against concerns having far older initial rights and whose product within their own territory or localities is entirely genuine and are there rightfully sold under the same trade mark.

Surely if a northern manufacturer can be enjoined from marketing his goods (genuine in his own locality) in other parts of the United States (wherein they create false impressions as to

origin), a concern whose trade marks are recognized throughout the entire United States is entitled to protection against an invasion of his trade through foreign products which do not emanate from the sole rightful user thereof in this country.

In the *Scandinavia Belting* case, a very careful and exhaustive opinion, the Court of Appeals was confronted with a somewhat peculiar question. The plaintiff, an American corporation, was the American representative of the products of an English company, the English company agreeing not to sell its Scandinavia belting to any concern in the United States other than the American corporation, and further that the American company should have the exclusive use in the United States of any trade marks used by the English company in marketing the belting. This agreement was limited as to its term to expire in 1936. The American company thereupon registered the trade mark "Scandinavia" and brought suit in its own name against an infringer. The defendant objected that the trade mark was really the property of the British company and that the American company had no right either to register the British company's trade mark as its own or to prosecute the suit upon any such theory, the plaintiff in its bill having alleged that it was the agent of the English company. The plaintiff's rights were, however, fully sustained by the Court of Appeals (257 Fed. Rep. 937, 952-958). In the opinion it is stated:

"The right to use the mark in this country was a right to use it as applied to the goods which the plaintiff manufactured or otherwise acquired and sold. The function of the trade mark being to identify either origin or ownership, it may be that the plaintiff acquired a right to use the mark on any belting it owned

from whatever source obtained. That question is not here and is not decided. If the plaintiff did acquire that right, it would afford a *conclusive reason* for holding that the plaintiff had such ownership of the trade mark in the United States as entitled it to its registry" (p. 956).

In the case at bar plaintiff concededly did acquire the very right which according to the Scandinavia decision affords the conclusive reason for according full and complete protection.

It should be noted that the *Scandinavia* case involved merely an agent of a British concern as plaintiff and that it was to this extent similar in the facts of the case to the *Eternelle* case, 238 Fed. Rep. 780. In both of those two cases the trade mark was *de facto* the trade mark of a foreign concern and the trade which the Court was willing to protect was the trade of the foreign true owner in so far as it reached the United States through a representative or agent. The trade which required protection in both of those cases was the trade of the foreigner as represented by a local agent. In the present case, however, where the foreigner has no trade in the United States at all, and all the rights that the foreigner had ever had in this country passed from him eight years ago and became vested wholly, completely and without any strings or reservations in the plaintiff company and the plaintiff company has the right to make or to buy the thing which it sells anywhere in the world and to put it up in this country under labels which by reason of plaintiff's efforts and industry have become identified with the American company, it is the American company's trade and no other which is known and recognized in the United States and

which is entitled to protection against any form of invasion. In the United States there is only one genuine "Java" face powder and that is the plaintiff's.

This difference in fact between cases of the type represented in the *Scandinavia* and *Eternelle* cases, on the one hand, and the case at bar on the other, is most clearly emphasized by Judge Ward's short concurring opinion at the end of the *Scandinavia* decision (257 F. R. 962). Judge Ward there says:

"If the plaintiff company is merely the exclusive agent of the English company to sell its products in this country * * * I think the English company is the owner both of the trade mark and of the business to be protected and is alone entitled to register the trade mark under the United States statute and to sue for infringement of it * * * On the other hand, if the plaintiff company purchases the English company's product outright, and is given the exclusive right to do so in this country, together with the right to use the trade mark for that purpose which has come to indicate the plaintiff company as the source or origin of the goods, then the business to be protected is the plaintiff company's business and it has the right to register the trade mark under the United States Statute and to sue for infringement of it."

It appears to us that this is controlling. Upon the facts of the case at bar who, for example, is interested in suppressing infringement? A French company that has no business here is, obviously, not interested in suppressing infringements here but, on the contrary, if its French products (conceding that they are not unlawfully so packed in France), packed in containers closely resembling plaintiff's, can find an outlet through French job-

bers and dealers into the United States, the French company's business will thereby only be multiplied and in time a business in the French products will be established in the United States. Meanwhile the plaintiff can carry the burden of advertising and of protecting the goods against imitation while the French company has no responsibility or burden in that regard whatsoever. The plaintiff company is thus compelled to protect and fortify a market, if defendant's contention be sound, so that the French company which owes no duty to the people of the United States may come cheaply in and gnaw at the vitals of plaintiff's very existence. The very fact that the French concern's goods may be lawful and genuine in France makes it all the more necessary that the plaintiff be protected against the distribution of the French merchandise in the United States since the attribute of "genuineness in France" is the main lever and entering wedge upon the basis of which defendant, or others like her, can solely hope to sell her imported merchandise in the plaintiff's market. Not only does the plaintiff need the protection which was accorded in the "Tea Rose" case by the Supreme Court upon the general ground that the American distribution of the goods imported from France is injurious to the plaintiff's established trade but because the French goods represent a particularly and specially vicious form of injury due to the very fact that the French goods are in their native country lawful and genuine under the French code.

The plaintiff's title to the trade mark rests primarily in the business which it has for the last eight years established throughout the United States. This business has not been conducted as an agency or in any representative capacity but as

owner and as sole and exclusive proprietor of the trade marks, labels, etc., which the plaintiff has used. Plaintiff's original investment and ownership of the trade marks was, however, by way of an outright purchase of the entire good will and all trade mark rights in the United States from the very French company whose French merchandise the defendant now seeks to sell. Plaintiff's investment and purchase was made under authority of the Trade Mark Law which provides in Section 10 that

"every registered trade mark shall be assignable in connection with the good will of the business in which the mark is used".

The assignment of the statute is a complete assignment and not an assignment which exempts from the transfer products of the assignor if located abroad. Were this otherwise no American capital could ever afford to invest in the purchase of a trade mark owned by a foreigner. If the assignment were from a United States owner to a United States assignee, the assignee would unquestionably be protected against any subsequent marketing in the United States of products offered under the assigned trade mark by the assignor or any jobbers or dealers claiming under the assignor. This rule goes even so far as to prevent an assignor from thereafter using his own name in the same line of business if his name had theretofore been a quasi trade mark which had passed to a new owner under assignment (*LePage v. Russia Cement Co.*, 51 Fed. Rep. 941, C. C. A., First Circuit). In that case it was said:

"Trade marks, good will or the rights to use the names of individuals, become, when sold, the property of the person to whom transferred,

and do not thereafterwards rest on mere contract; and without any specification in the instrument of transfer, and merely as inherent to the essential rights of property, they must, with all their incidents, be protected by the courts in the hands of the transferee against all assaults and artifices."

The mere fact that the assignor resides in a foreign country does not change the statute or amend it but, on the contrary, should call for a construction of the statute which will most efficiently protect the assignee. If a trade mark can be assigned by statute and is assigned under that statute, the new owner, if he maintains the trade, becomes the absolute owner entitled to all protection against every other person or concern. After the date of such an assignment, if the assignment is valid and legal, no goods made anywhere in the world or by anyone in the world can be genuine in the territory assigned except the goods of the assignee. It would be a monstrous doctrine that the American owner of a trade mark can sell it and then by establishing a rival factory in Cuba, Canada or Mexico could have his customers bring his competitive products freely upon the United States market in competition with the products of his assignee under the same trade mark. The fact that the new American owner has no remedy in Cuba, Canada or Mexico and no means to prevent manufacture or distribution under the assigned United States trade mark, in such foreign countries, does not deprive him of his right to complete protection, particularly against the goods of his assignor in this country. If Section 10 of the Trade Mark Statute means anything, it means that a trade mark when assigned is wholly, com-

pletely and entirely the property of the assignee and that so far as this country is concerned and the assignee's good will in this country is involved, the assignor's products, no matter in what place here or abroad they may be made, must henceforth keep off the American market in which they are no longer genuine. The only circumstance that makes defendant's product saleable in this country is the fact that they resemble the plaintiff's well established goods and the plaintiff's good will has been built up through eight strenuous years by a most substantial investment. The goods of the French concern have not been on the United States market for eight years and are wholly unknown here. The trade that is known in the United States is the trade of the plaintiff. Under the Supreme Court decision in the "Tea Rose" case, therefore, the trade which is to be protected is the plaintiff's even though in some other place or some other jurisdiction or under some other sovereignty the same trade mark may be in lawful use there.

Although the law of trade marks may be said to be a law for the protection of trade rather than for maintaining monopoly, there are nevertheless close analogies between the Trade Mark Law and the Patent Law.

The essence of the property in trade marks, just as in patent cases, is the right to exclude, *i. e.*, the right to prevent an invasion in the territory in which (under Trade Mark Law) the registrant's property rights are exercised and established or in which (in patent cases) the patent monopoly is recognized. The same general principles, therefore, which respect to remedies, are pertinent to both types of cases. While there are no recorded decisions which directly adjudicate the rights of

an American assignee of an entire American business and the trade marks appurtenant thereto from a French concern as against the further marketing in the United States of the products of the French concern made abroad, we do find in the reported patent cases a number of decisions in which those rights are clearly set forth. Thus in *Boesch v. Graff*, 133 U. S. 697, 703, Chief Justice Fuller said:

"The right which Hecht had to make and sell the burners in Germany was allowed him under the laws of that country, and purchasers from him could not be thereby authorized to sell the articles in the United States in defiance of the rights of the patentees under a United States patent."

In *Dickerson v. Tinling*, 84 Fed. Rep. 192, the Court of Appeals, Eighth Circuit, said:

"One who purchases in a foreign country of others than the owners of the United States patent or their vendees, pays nothing either directly or indirectly to the owners of the patent and, therefore, he acquires no right to make, use or vend the article which he buys within the territorial limits of their monopoly".

See also

Dickerson v. Matheson, 57 Fed. Rep. 524,
C. C. A., Second Circuit.

Daimler Co. v. Conklin, 170 Fed. Rep. 70,
C. C. A., Second Circuit.

The effect of these decisions and of many others of the same character is that goods though legally on sale in foreign countries, are not genuine in this country or licensed to be sold in this country unless the goods bear the stamp of approval of the person who in the United States is recognized as the person who has the proprietary interest in similar

goods in this country. It is immaterial, it seems to us, whether the rights involved are patent rights or trade mark rights. The question is who do we recognize in the United States as the owner, and once that is determined, all other goods not emanating from that owner are spurious and not genuine in this country. This rule should be far more tender and sensitive in trade mark cases than in patent cases since a trade mark represents a person's reputation, which is likely to become tarnished with the slightest breath of suspicion relative to genuineness of product. In patent cases, on the other hand, nothing more is involved than a cold question of dollars and cents since in patent cases every wrong can be measured and adjusted upon a monetary basis. A single box of the French merchandise packed under the "Java" labels and containing deleterious ingredients can forever ruin the reputation of plaintiff's product in an entire community if not throughout the whole country. The plaintiff is the concern whom the public trusts, believes in and to whom the public look toward maintaining on the market only the best and standard grade of face powder under the "Java" trade mark. If any one else, it matters not who, but if a single person can creep into plaintiff's market and infest it with boxes of identical appearance with the plaintiff's, plaintiff's entire reputation is placed in the hands of that other person and is at his mercy. What a magnificent field for unscrupulous competitors that would be!

If the plaintiff is to maintain its position and business, its reputation and its trade in the United States, it must be left in sole control over every package of "Java" face powder that comes upon this market, no matter from what source those boxes originate. This is not only essential for the pro-

tection of the plaintiff's business for the reasons stated but is plaintiff's legal right under the statutes and authorities, and it is that right which the plaintiff invokes in support of this motion.

The defendant relies chiefly upon the decision of this Court in *Gretsch v. Schoening*, 238 F. R. 718, to which reference has already been made in this brief. Judge Mayer disposes of that decision by stating that

"in the *Gretsch* case the question here presented did not arise. There was not situation, such as this, where the original owner of the business and its trade marks had completely parted therewith to a vendee who had proceeded upon the strength of his ownership to develop an American market" (p. 37).

The *Gretsch* or *Eternelle* case, already amply distinguished by the difference in the facts of that case when contrasted with the facts of the case at bar in that the former was an agency case whereas the latter was a case of outright ownership through assignment under Section 10 of the Trade Mark Statute, is further in a class by itself for the reasons stated by Judge Mayer (p. 37). That case was brought under Section 27 of the Trade Mark Statute, which provides a peculiar and special form of relief in certain particular specified cases. The relief of Section 27 represents a new departure in Trade Mark Law; it is not a part of the law of common law trade marks but is a purely statutory creation which, consequently, must be strictly interpreted. The Section was drawn and enacted to serve primarily to check the importation into this country of foreign merchandise simulating or counterfeiting American labels, trade marks or trade names, and the officials of the United States in the Custom House were

made agents to prevent importation of spurious goods. Naturally the invocation of such a law as against goods which in this country were widely recognized and known as made by Müller of Germany, for the supposed protection of products of that very Müller, presented a question which was extremely doubtful and which by the Court of Appeals was resolved against the plaintiff. At any rate, only the question of the admissibility of the goods through the Custom House officials was involved in the *Eternelle* case and not the question of the standing of the imported merchandise in the markets of the United States or as affecting some established trade here of a hostile character to the goods imported under the same trade mark.

So in the present case it may possibly be (although we believe otherwise upon our facts) that the Custom House officials might have rightfully admitted the defendant's "Java" face powder under Section 27 of the Trade Mark Law. The mere importation as such does not injure the plaintiff. The subsequent marketing, however, of the defendant's goods in a market in which the appearance of defendant's merchandise represents and is universally known to represent the plaintiff's products, brings about a direct and vicious attack upon the trade which is plaintiff's and the business which the plaintiff has established. Whatever the rights of the plaintiff under Section 27 may be, those rights are not here in issue but what is in issue are the plaintiff's broad general rights under its trade marks as registered.

Defendant also relies upon the decision in *Appolinaris Co. v. Scherer*, 27 F. R. 18, which involved the importation of Hunyadi Janos. It is well established that the name of a spring or other geographically located evidence of natural phe-

nomena—mountains, lakes, etc., are not trade marks. Names such as these are protected against misuse but they are not trade marks. The reason why they are not trade marks is that their geographical significance is their primary and predominant characteristic. If Hunyadi Janos were a trade mark in the United States and that trade mark was sold and the purchaser bottled Michigan waters and sold them as Hunyadi Janos, the public would always believe that the product came from the original springs in Hungary and, of course, such a procedure would be a fraud on the public. In other words, a trade designation which depends upon geography for its true significance with respect to source or origin of merchandise, can never be divorced from the locality to which the trade designation is peculiarly applicable. Consequently, "Hunyadi" will always mean a product of Hungary. True trade marks, however, are differently situated. "Sapolio" in America is the product of an American concern and will be protected accordingly. "Sapolio" in England may be the product of an English Sapolio company and will there be fully protected in favor of the English company. Each country recognizes within its own confines the actual distributor of the goods within that territory as the source and origin of the merchandise. Similarly, of course, since "Java" face powder is recognized in America as emanating from the plaintiff, it will be protected accordingly quite irrespective of what conditions may prevail in any other foreign country with respect to the ownership in such foreign country of the trade mark "Java" for such foreign territory. The Hunyadi Janos decision is in no sense applicable to the facts at bar.

Defendant also relies upon the case of *Russia*

Cement Co. v. Frauenhaar, 133 F. R. 518. In that case the defendant had bought plaintiff's glue, in the open market, in barrels and had then bottled the glue and labeled it as being plaintiff's glue bottled by the defendant. Obviously that authority has nothing to do with the present case.

As against the citations of the defendant, we tender the Trade Mark Law Act itself which authorizes and provides for the transfer of trade marks. According to that Act trade marks may be transferred and in our case they were transferred under that Law. Since plaintiff owns those rights and owns them fully, he owns them as against every act which is derogatory to the complete ownership of the trade marks. In this country the plaintiff is "Java" and "Java" is the plaintiff and there can be no other "Java" but plaintiff's.

The plaintiff's business may by the death of stockholders or sale of stock pass into hands wholly antagonistic to the French concern from which at present the plaintiff draws for its supply of face powder. The plaintiff's powder may, for any number of causes, be made or bought elsewhere. The plaintiff may become bankrupt and its business sold but no matter what happens, the trade mark is always entitled to the same protection. "Where the business goes the trade mark goes" (*Ammon & Person v. Naragansett Co.*, 262 Fed. Rep. 880, 884), and wherever the business and trade mark go they are entitled to the same protection, *i. e.*, protection against the appearance on the American market of packages which will cause confusion with the trade that has been established in the business with which the trade mark is connected and of which the trade mark is the symbol of sole and exclusive proprietary rights.

A very interesting authority is *Gorham v. Weintraub*, 196 Fed. Rep. 957. In that case the Gorham Mfg. Co., Silversmiths, had adopted as a part of their trade mark in the United States a well known English hall mark. An injunction was granted against the infringer in spite of the fact that the British Government intervened as an *amicus curiæ* and protested that since these hall marks were in England a symbol of genuineness of silverware, an award of exclusive rights with respect to those same symbols to the American Gorham Company would prevent the genuine British silver from being freely sold in the American market.

After all, the entire question comes down to a very simple point. If the new goods which appear in the American market through the agency of a defendant will, when marketed here, tend to create the belief or the impression that the goods emanate from the plaintiff because of the plaintiff's established reputation and trade, then the defendant's goods have no right or license to appear upon the American market no matter whence they come or under what circumstances they were made, sold or distributed unless in their manufacture, sale or distribution they received somewhere the cachet of the plaintiff itself. If such goods, appearing upon the American market, have nowhere received the authorization of the plaintiff, then so far as the American market is concerned the defendant's goods are marketed in violation of the plaintiff's rights under its trade marks as registered.

In Reply to Defendant.

Defendant's brief below sets up three points.

The first of these points is that the order for preliminary injunction was improperly granted because the papers did not present a proper case for preliminary relief.

As a matter of fact, a clearer case than the present is rarely presented in connection with any motion for a preliminary injunction. The facts are not in dispute and the law that a registered trade mark is entitled to protection against every form of invasion is entirely clear. The plaintiff's need for speedy relief is also clear, so that this case presented an ideal subject for a preliminary injunction.

Defendant's second point is that there was no violation of the Trade Mark Law on the part of the defendant, and in support of this point defendant's brief set forth, as supposedly pertinent to this controversy, two sections of the Trade Mark Law, neither of which is involved in the present case. One of the sections quoted by the defendant is Section 16, which provides only for certain special types of cases of infringement and then restricts the specific remedy of that section to "an action for damages" and to such actions only "when a verdict is rendered for the plaintiff", *i. e.*, jury cases. The second section quoted by the defendant is section 27, which deals with the Custom House Provisions of the Trade Mark Act. The present suit is not based upon either of these two sections but upon section 17 and section 19 of the Trade Mark Law, which are hereinabove quoted *in extenso*.

Under these two sections the District Court has full authority to administer any appropriate remedy for any violation of a registered trade mark no matter what form it may take.

Defendant's third point is the one that goes to the real merits of the controversy and which raises the question whether defendant may lawfully distribute in the markets of the United States face powder packed in boxes like the plaintiff's and bearing labels which are in every substantial respect identical with plaintiff's registered trade marks, merely because the defendant, for the source of supply of her competitive goods, has sought a foreign producer who, in his own country, had the right to use the same labels and trade marks, which said labels and trade marks, so far as the United States are concerned, had been fully and completely sold to the plaintiff, together with all the good will pertinent or incident thereto, more than ten years ago. With that point we have already fully dealt in the foregoing brief, and a continuation of the discussion would be merely repetition.

Conclusion.

The original order of the District Court (p. 38) was right and should be reinstated. The majority Opinion of the Circuit Court of Appeals was erroneous and the order of that Court entered thereon (pp. 57-58) should be reversed.

Respectfully submitted,

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